

FISCAL MEMORANDUM

HB 2449 – SB 2626

May 20, 2008

SUMMARY OF AMENDMENT (018878): Changes the total authorization amount for the issuance of bonds from \$100,000,000 to \$5,720,000. \$2,720,000 shall be for capital outlay for the Tennessee Board of Regents; \$3,000,000 shall be for capital outlay for the University of Tennessee.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures - \$11,110,000 – 1st Year Debt Service

\$164,630,000 Over life of the bonds
\$101,000,000 Principal
\$63,630,000 Interest

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Expenditures - \$635,500 – 1st Year Debt Service

\$9,416,800 Over life of the bonds
\$5,777,200 Principal
\$3,639,600 Interest

Assumptions applied to amendment:

- All projects authorized by this act shall be approved by the State Building Commission.
- Bonds may be designated as college savings bonds pursuant to the Baccalaureate Education Savings for Tennessee Act.
- Cost of issuance is estimated at 1% of face value.
- Principal (\$5,720,000) plus cost of issuance (\$57,200) is \$5,777,200.
- Bonds will be issued for a period of 20 years at an interest rate of 6% and 1/20th of the principal plus interest will be paid annually.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized initial "J".

James W. White, Executive Director

/rnc